



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN

SUCCESS STORY

Cotton Recycling Facility Spurs Local Economy

The U.S. Government helped the Nangarhar Cotton Sellers' Association open a pressing and recycling facility.



Photo: USAID/ASMED

The director of the Cotton Seller's Association cuts the ribbon at the Cotton Pressing and Recycling Factory's inaugural event.

The United States is committed to supporting local businesses as they grow and contribute to Afghanistan's economic development.

Economic growth is dependent on firms and factories that improve current business practices. With assistance from the U.S. Government, the Nangarhar Cotton Sellers' Association recently opened a cotton pressing and cotton rag recycling facility in Jalalabad to improve cotton production and transport. The factory has stimulated regional economic growth, increased employment, generated income, and provided incentives for further investment in the cotton sector.

The association's members are cotton traders who seek new markets for Afghanistan's cotton. The operation of this new facility enables members to benefit from bailing cotton, which reduces transportation costs by compressing cotton by 84 percent of its original size. Before the factory was opened, refined cotton was stuffed into plastic-web bags, which were cumbersome and limited the association to purchases of 50 metric tons (MT) per week.

Today, higher volume shipments and lower transport costs raise profit margins, increasing the association's purchases from 27 cotton-supplying farmers to 80 MT per week. This increased yield drove monthly revenue from \$2,000 to \$3,800. The association is now selling its cotton throughout eastern Afghanistan, as well as to Peshawar, Pakistan, where it is used in the production of a variety of textile-based goods.

In addition to the processing of newly cultivated cotton, the Cotton Seller's Association also purchases cotton rags and remnants from local tailors and embroidery shops to recycle it into rag cotton, for re-sale and re-use.

With this significant increase in business, the association is exploring the possibility of accessing finance for the continued expansion of the facility. This would allow the association to hire more workers, purchase more cotton from farmers, build a storage warehouse, and increase the factory's operating hours.

The U.S. Government's support for the establishment of Nangarhar's Cotton Pressing and Recycling Factory has both resulted in tangible benefits to the association's 75 members and stimulated wider economic growth throughout eastern Afghanistan's cotton sector.